

112TH CONGRESS
1ST SESSION

H. R. 3219

To amend the Small Business Investment Act of 1958 with respect to small business investment companies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 14, 2011

Mr. CHABOT introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Investment Act of 1958 with respect to small business investment companies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Invest-
5 ment Company Modernization Act of 2011”.

6 **SEC. 2. MAXIMUM LEVERAGE.**

7 Section 303(b)(2) of the Small Business Investment
8 Act of 1958 (15 U.S.C. (b)(2)) is amended by striking
9 so much of paragraph (2) as precedes subparagraph (C)
10 and inserting the following:

1 “(2) MAXIMUM LEVERAGE.—

2 “(A) IN GENERAL.—Except as provided in
3 subparagraph (B), the maximum amount of
4 outstanding leverage made available to any one
5 company licensed under section 301(c) of this
6 Act may not exceed the lesser of—

7 “(i) 300 percent of such company’s
8 private capital; or

9 “(ii) \$150,000,000.

10 “(B) CERTAIN SINGLE COMPANIES.—Be-
11 ginning after the date of enactment of this sub-
12 paragraph, if a majority of the managers of a
13 company are experienced in managing one or
14 more companies licensed under section 301(c)
15 of this Act (as determined by the Adminis-
16 trator), the maximum amount of outstanding
17 leverage made available to that company may
18 not exceed the lesser of—

19 “(i) 300 percent of such company’s
20 private capital; or

21 “(ii) \$200,000,000.

22 “(C) MULTIPLE LICENSEES UNDER COM-
23 MON CONTROL.—The maximum amount of out-
24 standing leverage made available to two or more
25 companies licensed under section 301(c) of this

1 Act that are commonly controlled (as deter-
2 mined by the Administrator) and not under
3 capital impairment may not exceed
4 \$350,000,000, but the material capital impair-
5 ment of one licensed company in a group under
6 common control shall not reduce the maximum
7 amounts of outstanding leverage that is made
8 available to the other licensed companies in that
9 group under common control.”.

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